

**MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
April 17, 2001  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on April 17, 2001 in the Banquet Room at Casino Queen's Crown Hotel in East St. Louis, Illinois pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: Chairman Gregory C. Jones and Members Sterling M. Ryder, Ira A. Rogal, Staci Yandle, and Stuart P. Levine.

Also in attendance were: Administrator Sergio E. Acosta, Deputy Administrators Joseph Haughey, Allan S. McDonald, Thomas Swoik, James W. Wagner, Deputy Chief Legal Counsel Jeannette P. Tamayo, and other members of the staff.

Chairman Jones re-convened the April 16, 2001 Regular Meeting at 9:00 A.M. in the Conference Room at Casino Queen's Crown Hotel in East St. Louis, IL.

The Board immediately reconvened closed session.

The Board convened its Open Session at 11:10 A.M.

Chairman Jones stated that it is a pleasure for the Board to hold its meeting at Casino Queen and he thanked Craig Travers, General Manager, and Casino Queen's staff for the excellent services that was rendered to the Board. Chairman Jones stated that in December of last year Mr. Bidwell, an owner of Casino Queen, wrote a letter to the Board inviting them to come down and hold a meeting at the facility. Chairman Jones stated that the Board immediately thought it was a nice idea. Chairman Jones stated that in the future, when the opportunity arises, the Board would visit and hold meetings at other casinos in the state. Chairman Jones stated that visiting other casinos would give the general population a chance to see how the Board acts, as well as give public officials the opportunity to speak and be heard from by the Board.

Chairman Jones introduced Ira Rogal, the Gaming Board's new Board member. Chairman Jones announced that Mr. Rogal was appointed by the Governor last week and replaced Joseph Lamendella, who resigned in January. Chairman Jones announced that Mr. Rogal is a Certified Public Accountant as well as a lawyer. Chairman Jones stated that Mr. Rogal is very experienced in financial and accounting transactions.

Chairman Jones recognized Debra Powell, Mayor of East St. Louis, and Wyvetter Younge, Illinois State Representative.

State Representative Younge welcomed the Board and staff to the East St. Louis Metropolitan area and stated that she appreciates the Gaming Board's service and dedication. Ms. Younge stated that she appreciates Casino Queen and recommends and supports the renewal of Casino Queen's license upon its renewal date because she feels it's a well-run business. Ms. Younge stated that Casino Queen sets an example for the rest of the community. Ms. Younge expressed her concerns that there is no local ownership in the Casino Queen Corporation. Ms. Younge stated that most of the owners are from other cities and the gaming statutes were implemented to promote economic growth and development. Ms. Younge asked that the Board work towards a plan of action that would allow local ownership for Casino Queen. Ms. Younge stated that another concern of hers was that there should be a plan in reference to lack of housing. Ms. Younge stated that there is about a 70 to 80% deterioration or dilapidation of housing in the East St. Louis area, and she would like for the Board to work with the owners in developing a plan to increase the housing availability for low and moderate income people. Ms. Younge stated that the Board needs to re-evaluate educational opportunities to ensure that employees can participate in the jobs that are created by the casino. Ms. Younge stated that she is concerned about the use of Black professionals. Ms. Younge stated that there should be minority lawyers, doctors, accountants, and architects participating in the whole venture.

Mayor Debra Powell stated that it is important to look at the impact that Casino Queen has on East St. Louis. Mayor Powell stated it is important to East St. Louis to have a partnership with Casino Queen that's not just about making money and increasing East St. Louis' general fund budget, it is important that jobs and entrepreneurship opportunities are provided. Mayor Powell stated that the city brought a proposal to Casino Queen about the Metropolitan Commerce Developers Association (MCDA). Mayor Powell stated that in East St. Louis, there wasn't a strong commerce entity that would actually look at combining business and promoting business welfare in the community, so the city created the MCDA. Mayor Powell stated that when she talked to Casino Queen's owners about MCDA they immediately said that they would support it. Mayor Powell stated that the MCDA has created the Metropolitan clothing designer factory, which is one of the first in the region. Mayor Powell stated that with the designer factory, East St. Louis has the opportunity to develop and design clothes that can be worn by people in the community. Mayor Powell stated that because of Casino Queen's support, East St. Louis is looking at the possibility of having twenty new entrepreneurship opportunities provided for people in the community where they can go into business for themselves in the clothing manufacturing business. Ms. Powell stated that the city would not have been able to accomplish any of this without the support of Casino Queen, who saw the vision of trying to help grow the people of the community. Mayor Powell stated that in addition, the MCDA would partner with the mayor's office and design a job bank. Mayor Powell stated that people from all across the bi-state region would supply the mayor's office information about jobs so the people of the community could be matched with the jobs available. Mayor Powell stated that the mayor's office would be meeting with Casino Queen about a housing project, which would provide housing for Casino Queen's employees. Mayor Powell stated that in a lot of cases most people who are employed with Casino Queen live in East St. Louis but because of inadequate

housing they don't stay in the area. Mayor Powell stated that both the mayor's office and Casino Queen have been concerned about the housing needs, and that they have been conversing about the issue. Mayor Powell stated that since she has been mayor, every project that she has brought before Casino Queen, they have been willing to partner. Mayor Powell stated that the most recent project that Casino Queen has offered to be a part of is the beautification project in East St. Louis. Mayor Powell stated that she supports the re-licensing of Casino Queen because they are an invaluable business to the community.

Chairman Jones thanked Mayor Powell and State Representative Younge for taking the time to speak at the meeting. Chairman Jones stated that it certainly adds new insight to the members of the Board to see how casinos can help economically develop an area.

Chairman Jones welcomed Craig Travers, General Manager of Casino Queen to make any comments that he or staff might have.

Craig Travers introduced Casino Queen's management staff to the Board. Mr. Travers stated that he is proud to say that Casino Queen has close to 1200 employees and approximately 800 of them have been with Casino Queen for more than five years, and almost 400 has been with the casino since it opened. Mr. Travers stated that is an honor to have the Board hold its meeting at Casino Queen.

#### Approval of Minutes

Member Yandle moved that **the Board approve the following closed session minutes of the Illinois Gaming Board:**

- **Closed Session Minutes:**
  - **Regular Meeting of March 20, 2001**
  - **Regular Meeting of March 26, 2001**

Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

Member Yandle moved that **the Board approve the following open session minutes of the Illinois Gaming Board:**

• **Open Session Minutes:**

- **Regular Meeting of January 30, 2001**
- **Regular Meeting of February 27, 2001**
- **Regular Meeting of March 20, 2001**
- **Regular Meeting of March 26, 2001**

Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

Board Member's Comments

Member Rogal stated that he looks forward to working with the Board.

Member Yandle stated that she personally appreciates the opportunity for the Board to hold this meeting in this particular city, which is her hometown. Member Yandle stated that she feels it's a good opportunity for the Board to visit other parts of the state where there are casinos that the Board regulates, to see first hand the facility. Member Yandle stated that it is also a good opportunity for the citizens in various parts of the state have contact with the Gaming Board, which is invaluable to the Board members in helping to keep perspective of things. Member Yandle stated that she would personally like to thank Casino Queen's staff for hosting the event, and that they have done a wonderful job.

Member Levine stated that he was impressed by the comments made by Mayor Powell in regards to the clothing manufacturing factory in East St. Louis. Member Levine stated that Mayor Powell's comments has made him realize how much potential there is for local economical development and job training and placements. Member Levine stated that he think it's critical that the Board goes around the state over a period of time to have the opportunity to hear from local municipalities and officials and to understand how the casinos are impacting the local economy.

Chairman Jones stated that he agrees with Member Levine. Chairman Jones stated that part of the creation of casinos in Illinois was economic development. Chairman Jones stated that he appreciates the efforts that Casino Queen has made with the community.

Member Ryder stated that too often we focus on economic development as building a bigger casino or a development that aids in marketing, which it does, however, the Board needs to look at redefining economic development in a broader term. Member Ryder stated that he was affected by the comments made by Mayor Powell. Member Ryder stated that he has known Representative Younge for at least 25 years, and she has been an

advocate for economic development in East St. Louis for all of the time that he has known her.

Member Ryder welcomed Member Ira Rogal to the Board. Member Ryder stated that he has known Member Rogal for almost 20 years. Member Ryder stated that he is sorry for some of the treatment that Member Rogal has had in the press. Member Ryder stated that he feels that people should give Member Rogal a chance and not judge him before he has even begun serving on the Board.

Member Ryder stated that he is happy that the meeting is being held in East St. Louis and he hopes that the Board could visit other parts of the state where the Board regulates casinos.

### Administrator's Report

Administrator Acosta stated that Casino Queen's staff has been great in terms of helping the Gaming Board's staff arrange the meeting. Administrator Acosta also thanked Monica Thomas, Janis Kielbasa, Pattie Lowe, Michael Hand and his staff for their fine efforts in coordinating the meeting and making things go as smoothly as they have.

### Public Commentary

Mark A. Westhoff, President/CEO, Southwestern Illinois Tourism, was present. Mr. Westhoff stated that about five years ago Casino Queen and Southwestern Illinois Tourism and Convention Bureau forged a partnership that has made a substantial impact on the southwestern area of Illinois. Mr. Westhoff stated that Casino Queen has supported the bureau financially by hosting the eight county meetings, and hosting familiarization tours. Mr. Westhoff stated that Craig Travers is the Chairman of Southwestern Illinois Tourism's Board of Directors. Mr. Westhoff stated that Casino Queen has partnered with Southwestern Illinois Tourism in advertising, tourism shows, and hosting some local metropolitan St. Louis events. Mr. Westhoff stated that the economic impact in Southwestern Illinois of tourism, according to the U.S. Travel Data in Washington, D.C., is fourth in the state of Illinois. Mr. Westhoff stated that the casino, RV Park, and the Crown Hotel have become premier destinations and Casino Queen has become a fabulous tourism partner both to the bureau and to the region. Mr. Westhoff stated that he supports the re-licensing of Casino Queen.

Wayne T. Burdick, Chairperson, Outreach Foundation, was present to discuss the Outreach Foundation and how it helps people with gambling problems. Mr. Burdick stated that the foundation educates, reforms, and refers people on where to get help. Mr. Burdick stated that the foundation is also a resource for family and friends of the compulsive gambler. Mr. Burdick stated that the Outreach Foundation is not for or against gambling and has no opinion on outside issues. Mr. Burdick stated that the foundation's mission is public awareness, education, and to be a resource to all. Mr. Burdick stated that the foundation's speakers bureau speaks at senior centers, high schools, universities, and training seminars.

Mr. Burdick stated that at the speaking engagements the speaker, who might be a recovering gambler or a spouse to a recovering gambler, shares stories as it relates to the illness. Mr. Burdick stated that the speakers share what signs to look for in compulsive gambling, and the wonder of recovery. Mr. Burdick stated that the foundation has also become a resource to the media. Mr. Burdick stated that the Outreach Foundation has been partially funded by a grant from the Department of Human Services and administrated by the University of Illinois in Springfield. Mr. Burdick stated that the foundation has received cooperation from the Illinois Gaming Association. Mr. Burdick thanked the Casino Queen and Craig Travers for being so forward about helping in the foundation's mission and for the keen insight he has about the problem.

Chairman Jones stated that the Self-Exclusion Policy was on the agenda for discussion, however, there is some additional input that the Illinois Casino Gaming Association would like to add in the final version of the policy. Chairman Jones stated that the issue would be held over until the May 30th meeting so that all comments could be received and a draft would be developed that everyone has had input in.

Deputy Chief Legal Counsel Jeannette P. Tamayo stated that staff received comments from a number of organizations and individuals. Ms. Tamayo stated that staff is proposing to extend the comment period for the informal process through May 14, which would give staff enough time to prepare the documents and bring the information back to the Board for consideration at the May Board meeting. Ms. Tamayo stated that staff would seek permission from the Board to file the proposed rule changes with the Joint Committee and Administrative Rules at the May Board meeting. Ms. Tamayo stated that, at this time, the policy is just a proposed draft for comment by any members of the public who are interested. Ms. Tamayo stated that the proposed draft is posted on the web site and copies are available to the public.

Member Ryder stated that Ms. Tamayo's comments were news to him and that he read the proposed rule in the Board packet and expected to vote on it. Member Ryder stated that he was going to vote in favor of the rule in order to get the process going. Member Ryder stated that he feels that the policy is truly important. Member Ryder stated that staff might want to look at the provisions in the rule with respect to other jurisdictions and having the Gaming Board's Self-Exclusion Rule apply to affiliates of Gaming Board licensees. Member Ryder stated that he feels that it's some question with respect to related person of a self-excluded person. Member Ryder stated that he feels it would be better to spell out the provisions around the area of confidentiality. Member Ryder stated that there may be some difficulty with the notion of a closed session denial of removal from the self-exclusion list when a person wants to take himself off of the list and the Board denies that request.

Chairman Jones stated that if there is anyone else who would like to address changes or has any suggestions regarding the draft rule they may submit them to staff before May 14<sup>th</sup>.

Following a closed session discussion of owner licensee items, Member Yandle moved that **the Board discuss a proposed agreement to sell Empress Casino Joliet**

**Corporation to Argosy Gaming Company.** Member Yandle further moved that **the Agenda for open session for today's meeting be amended to include Empress Joliet Casino as an Owner Licensee Item for Initial Consideration.** Member Levine seconded the motion. The Board approved the motion unanimously by voice vote.

#### Owner Licensee Items

EMPRESS CASINO JOLIET/ARGGOSY GAMING CO. – William Kunkle was present to represent Empress Casino Joliet. Don Malloy was present to represent Argosy Gaming Company. Mr. Kunkle and Mr. Malloy provided each Board member with a copy of the proposed agreement to sell Empress Casino Joliet Corporation to Argosy Gaming Company.

Administrator Acosta stated that staff would be going over the agreement and if there are any questions, staff would be in contact with the appropriate representatives at that time.

CASINO ROCK ISLAND – Donna More, Attorney and Ron Wicks, President of Casino Rock Island were present on behalf of Casino Rock Island seeking initial consideration of its license renewal. Ron Wicks welcomed new Board member, Ira Rogal, and thanked Craig Travers and his staff for their accommodations and assistance, which enabled him to make his presentation to the Board. Ron Wicks stated that it has been a good year for Casino Rock Island and the community, both financially and operationally. Bill Renk, Vice President of Sales and Marketing, provided the Board with a slide presentation highlighting areas in finance, investment, community involvement, and personnel retention. Mr. Renk stated that, the year 2000 marks the second consecutive year that Casino Rock Island has grown market share and revenue, which is the result of having a full year of dockside gaming, along with the February 2000 gaming expansion project. Mr. Renk stated that during the past calendar year of 2000, patronage increased by 54%, AGR increased by 78%, and casino handle increased by 97%. Mr. Renk stated that Casino Rock Island was able to successfully meet its year 2000 budget. Mr. Renk stated that Casino Rock Island has been a strong business partner in the Quad City markets since the beginning of operation in 1992. Mr. Renk stated that over the years, the casino has contributed its financial resources to various community organizations. Mr. Renk stated that in 2001, the casino would continue its commitment to two important organizations in Rock Island. Mr. Renk stated that Casino Rock Island has pledged \$5,000 to both the Quad City botanical center and the Rock Island Public Library to assist in capital campaigns for building an expansion. Mr. Renk stated that a pledge of \$25,000 over five years has been committed to the building fund of the new Red Cross headquarters in the Quad Cities. Mr. Renk stated that \$5,000 would be donated to the Quad City Convention Business Bureau for additional marketing efforts. Mr. Renk stated that Casino Rock Island would contribute \$5,000 to a new cultural festival, \$4,000 to mid-cost fine arts, \$7,500 to the quad city symphony, and \$15,000 to the arts and entertainment district of Rock Island. Mr. Renk stated that involvement in the community goes beyond financial support, members of the casino management team participate in various local development groups and committees. Mr. Renk stated that Casino Rock Island is very proud of its efforts to help prevent underage gambling by being instrumental in the passage of an

ordinance on criminal trespass to a gaming facility. Under the ordinance, violators can expect to pay a minimum \$150 fine or appear in circuit court should they contest the charge. Mr. Renk stated that Casino Rock Island has developed an employee retention plan. Mr. Renk stated that Casino Rock Island looks forward to continuing success and asked that the Gaming Board recognize the growth that has been made by the casino.

Member Levine stated that there are many things about Casino Rock Island that he is impressed with. Member Levine stated that based on the presentation, and calculating only \$5, 000 a year towards contributions to local charities, perhaps Rock Island could be doing more in that area.

Member Yandle stated that she shares Member Levine's thoughts. Member Yandle stated she was impressed with some parts of the presentation, however, the information provided as to the involvement of Casino Rock Island in the development of the community raises a question. Member Yandle stated that she would like to see more information on the involvement with the community. Member Yandle stated that she would like to see more information on what it is that Casino Rock Island does in terms of working with different entities and individuals of the community, in terms of economic development.

Mr. Renk stated that Casino Rock Island is at a status right now where they have not received the staff report and some of the requested information can be found in the report.

Administrator Acosta stated that the information is normally part of the staff report and that he is sure it would be provided.

Member Ryder stated that he agrees with his fellow Board members. Member Ryder stated that economic development is important to the Board. Member Ryder stated that it's best when it comes from the licensees through their initiatives. Member Ryder raised questions regarding environment concerns, which was an issue brought before the Board a few meetings ago during the public commentary part of the meeting.

Mr. Renk stated that he does recall a representative from the Sierra Club raised environmental issues a few meetings ago, however, the representative was not dealing with accurate information and was referring to a previous site that Rock Island was taking into consideration initially, which is in a wetland area. Mr. Renck stated that Rock Island's new site is not in a wetland area and he would provide the Board with all of the information needed on the issue.

Donna More stated that Casino Rock Island would work with Administrator Acosta in providing the information that the Board has requested regarding community involvement.

EMPRESS CASINO JOLIET - Donna More was present on behalf of Empress Casino Joliet to request final action related to a share repurchase of approximately 183.8 shares to be repurchased by Horseshoe from one of the employees. Ms. More stated that Empress has submitted additional information that Gaming Board staff had questions about.



Based on a review of the staff's investigation and recommendation, Member Ryder moved that **the Board approve the repurchase by Horseshoe Gaming Holding Corporation of 183.861069 shares held by Kathleen Rose pursuant to a December 1, 1995 consulting agreement between Ms. Rose and the Corporation.** Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

HOLLYWOOD CASINO – NEAL PERRY, DIRECTOR OF CASINO OPERATIONS – LEVEL ONE - Senior Vice President and General Manager Pat Medchill was present on behalf of Neal Perry to request approval as a Level One employee.

Based on a review of the staff's investigation and recommendation, Member Levine moved that **the Board approve Neal Perry as a Level 1 Occupational Licensee of Hollywood Casino Aurora, Inc.** Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

HOLLYWOOD CASINO – ISRAEL FALCON, VICE PRESIDENT OF OPERATIONS – LEVEL ONE – Pat Medchill was present on behalf of Israel Falcon to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Ryder moved that **the Board approve Israel Falcon as a Level 1 Occupational Licensee of Hollywood Casino Aurora, Inc.** Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

HOLLYWOOD CASINO – GARY S. NEMETH, DIRECTOR OF MANAGEMENT INFORMATION SYSTEMS – LEVEL ONE – Pat Medchill was present on behalf of Gary S. Nemeth to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Yandle moved that **the Board approve Gary S. Nemeth as a Level 1 Occupational Licensee of Hollywood Casino Aurora, Inc.** Member Levine seconded the motion. The Board approved the motion unanimously by voice vote.

GRAND VICTORIA – ROBERT SWADKINS, CONTROLLER – LEVEL ONE – Kevin Shoults was present on behalf of Robert Swadkins to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Ryder moved that **the Board approve Robert Swadkins as a Level 1 Occupational Licensee of Elgin Riverboat Resort d/b/a Grand Victoria Casino.** Member Levine seconded the motion. The Board approved the motion unanimously by voice vote.

### Suppliers Licensees Items

GEORGE C. MATTESON COMPNAY, INC. – Thomas Baraknowski, General Manager, was present on behalf of George C. Matteson Company, Inc.

Based on the staff's investigation and recommendation, Member Levine moved that **the Board approve the Supplier's license application of George C. Matteson Company, Inc. for a restricted term of 1 year, subject to the Board's approval of its Key Persons. In renewing this Supplier's License, the Board orders the following conditions:**

1. **Improve quality controls to eliminate actual and potential irregularities in the production of the playing card;**
2. **Establish and implement a procedure to record all consumer and customer complaints concerning any irregularities with the playing cards;**
3. **Provide quarterly reports on any irregularities in the production of the playing cards, including but not limited to consumer and customer complaints; and**
4. **File all quarterly reports in a timely manner.**

Based on the staff's recommendation, Member Levine further moved that **the Board certify the following positions and individuals as Key Persons of the licensee:**

1. **Chief Operating Officer**
2. **Chief Executive Officer**
3. **F & F Holdings, Inc.**
4. **Thomas Baranovski**
5. **Curtis L. Fitzhugh**

**In the event that George C. Matteson Company, Inc. fails to make an appropriate and timely request as specified in Board Rule 3000.405 for a hearing within 5 days of delivery of the written restriction of licensure, this action of the Board shall become the final action of the Board restricting the Suppliers license application for one year.**

Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

U.S. PLAYING CARD – CHARLES ZUNK, PRESIDENT & CEO/COO – KEY PERSON - Based on a review of the staff's investigation and recommendation, Member Yandle moved that **the Board approve Charles Zunk as a Key Person of U.S. Playing Card Company.** Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

### Occupational Licensees

Based on the staff's investigation and recommendation, Member Ryder moved that **the Board approve 57 applications for an Occupational License Level 2, and 190 applications for an Occupational License Level 3.**

Further, Member Ryder moved that **the Board direct the Administrator to contact 8 pending applicants for occupational licenses to notify those applicants that staff has recommended that the Board deny their applications for an occupational license and provide these applicants with an opportunity to respond.**

Further, Member Ryder moved that **the Board direct the Administrator to issue Notices of Denial to the following 4 applicants for Level 2 and 3 licenses, each of whom previously received notice that staff intended to recommend denial and did not respond or provide additional information to rebut the staff's recommendation:**

- 1. Haward Dotson;**
- 2. Danita L. Funk;**
- 3. Timothy J. Tiller; and**
- 4. Charles Ward.**

Member Levine seconded the motion. The Board approved the motion unanimously by voice vote.

### Disciplinary Complaints

Based on the staff's investigation and recommendation, Member Yandle moved that **the Board issue a Disciplinary Complaint against PDS Financial Corporation and fine PDS in the amount of \$ 5,000.00 for failing to comply with the Act and Board Rules, to wit: PDS failed to file its quarterly reports for the last quarter of 1999 and the first quarter of 2000 in a timely manner.** Member Levine seconded the motion. The Board approved the motion unanimously by voice vote.

At 12:30 P.M., Member Levine moved to adjourn. Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

Respectfully submitted,

Monica Thomas  
Secretary to the Board